

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 983

IN THE MATTER OF:

Served October 21, 1969

Cost Allocation Study of )  
Fares Charged by D. C. )  
Transit System, Inc. )

In Payne v. WMATC (D.C. Cir. No. 20,714, decided October 8, 1968) the court directed this Commission to study methods of cost allocation by D. C. Transit System, Inc., in order to determine whether Transit's fare structure is unduly discriminatory between riders or sections of the Metropolitan District.

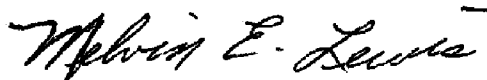
Commission Order No. 941, issued April 18, 1969, approved engaging the independent consulting firm of Alan M. Voorhees and Associates, Inc., to conduct this study on a "time and materials" contract with an "upset price" of \$30,000. Under the terms of this type of contract, the consultants work at fixed rates, but may elect to cease work if the costs reach the upset price. On October 10, 1969, the Voorhees firm informed the Commission that that point had in fact been passed, and that work on the project had been suspended, pending a Commission decision on whether to authorize further expenditures. They expressed the expectation that the project could be completed for an additional \$7,500.

The staff has been working closely with the consultants on this study, and it informs us that in light of the complexities involved in data analysis for this project such additional costs are justifiable. Due to the importance of obtaining a thorough, high quality study as soon as possible, we feel that the additional expenditure is reasonable and necessary under these circumstances.

Pursuant to Article XII, Section 19 of the Compact, we will assess D. C. Transit System, Inc., for the additional cost of this project.

THEREFORE, IT IS ORDERED that D. C. Transit System, Inc., be, and it is hereby, assessed \$7,500 which it is directed to deposit in the name and to the credit of the Washington Metropolitan Area Transit Commission in the American Security and Trust Company, 1612 K Street, N. W., Washington, D. C., on or before October 31, 1969.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in cursive script, reading "Melvin E. Lewis".

MELVIN E. LEWIS  
Executive Director